

KENTUCKY DEPARTMENT OF EDUCATION (KDE)

DISTRICT FUNDING AND REPORTING BRANCH
DISTRICT FINANCIAL MANAGEMENT BRANCH

FINANCE NEWSLETTER

May/June 2013



Dates to Remember:

May 8, 9, 10 – KASBO
May 15 – Twitter Town Hall
May 28 – KSCPA letter due to Peer Review Committee
May 30 – Tentative budget due
May 31 – Capital Fund Request due
May 31 – Kentucky School for the Blind and Deaf Resident report due
June 30 – Transportation Adjustment End of Year report due
June 30 – Vocational Transportation Form VT2 due
June 1 – Application Fidelity Bond Web form window opened
July 1 – Fidelity (Performance) Bonds for FY 2013-2014 due
July 1 – Update Penal Sum and Collateral Market Value due
July 1 – Chart of Accounts Update goes active
July 1 – New Redbook goes live



Social Security Number Protection Act of 2010

Effective December 2013, “No Federal, State, or local agency may display the Social Security account number of any individual, or any derivative of such number, on any check issued for any payment by the Federal, State, or local agency.”

Fidelity (Performance) Bonds

The Fidelity (Performance) Bonds for fiscal year 2013-2014 are due to the Kentucky Department of Education (KDE) by **July 1, 2013**, to be approved by the commissioner of education. The “Fidelity (Performance) Bond for Treasurer Exposure Calculation Report FY2013-2014” has been posted to the KDE website below. The window to the SEEK Application Fidelity Bond Web form will be opened on **June 1, 2013**, for districts to begin submission.

Please refer to the “Bonds” Web page, “Fidelity (Performance) Bond” section for all reports and instructions:
<http://education.ky.gov/districts/FinRept/Pages/Bonds.aspx>

If you have any questions or problems submitting your “Fidelity (Performance) Bond” Web form, please contact Gail Cox at (502) 564-3846 or Gail.Cox@education.ky.gov.



Bond of Depository – **NEW PROCESS**

Districts will be required to submit their fiscal year 2013-2014 Bond of Depository information electronically through the **new** SEEK Application “Depository Bond” Web form. The Bond of Depository information is due to the Kentucky Department of Education (KDE) by **July 1, 2013**, to be approved by the commissioner of education. Districts are to **maintain** all official hardcopy documentation at the local board of education. Every year the districts will need to update their **Penal Sum** and **Collateral Market Value** by **July 1**. The “Bond of Depository Expiration Report Approved by KDE” is posted to the KDE website below. The window to the **new** SEEK Application Depository Bond Web form will be opened **June 1, 2013**, for districts to begin submission.

Please refer to the following “Bonds” Web page, “Bond of Depository” section for the “Bond of Depository Web Base Form Submission Instructions”:

<http://education.ky.gov/districts/FinRept/Pages/Bonds.aspx>

If you have any questions or problems submitting your Bond of Depository Web form, please contact Gail Cox at (502) 564-3846 or Gail.Cox@education.ky.gov.



Federal Reimbursement Electronic Funds Transfer for School Boards

The Kentucky Department of Education (KDE) **strongly recommends** that all districts send payments for the federal reimbursement of health benefits by Electronic Funds Transfer (EFT).

If your district **does not** send federal reimbursement payments by EFT, please follow the steps below to register to begin using EFT to KDE:

- 1) A primary user and two backups will need to register with Kentucky.gov at <https://secure.kentucky.gov/portal/registration.aspx> to obtain a user ID.
- 2) Complete the [EFT Authorization Form](#). Type in the district name in the green cell. Fill in the contact information, local banking information, and name and user ID for each user who created an account with Kentucky.gov. All applications should be marked as “New Enrollment.”
- 3) Please complete the EFT Authorization form and return via email to Donald Sweasy in the Finance Controller’s Office at (Donald.Sweasy@ky.gov) or by fax at 502-564-6597.

Once access is granted to the application by the Finance Controller’s Office, use the following instructions to process payments:

<http://education.ky.gov/districts/finrept/documents/obp%20fihb%20gov%20ach%20pay%20guideform.pdf>

Please contact one of the following individuals in the Finance Controller’s Office with questions:

Bethany Crockett

Bethany.Crockett@ky.gov

Phone: (502) 564-6690

Patricia Boler

Patricia.Boler@ky.gov

Phone: (502) 564-1449

Donald Sweasy

Donald.Sweasy@ky.gov

Phone: (502) 564-8632

Federal Reimbursement File Submission and Payment

The end of the fiscal year 2012-2013 is quickly approaching. The Division of District Support is asking that the districts upload summer files and submit payments to the Kentucky Department of Education (KDE) in a timely manner. Please remember that if a district exhausts the awarded federal grant funds and then uses general funds to pay for an employee’s salary, the district shall code the expense under one of the federal project codes. Please refer to the [Chart of Accounts](#) for the proper code to use. Please note that when general fund money is used to supplement a grant, the fourth character that is used for the year should be replaced with an “X”.

If you have any questions concerning the Federal Reimbursement file or payment, please contact Gail Cox at (502) 564-3846 or Gail.Cox@education.ky.gov.

Federal Reimbursement Files of Health Benefits

The Kentucky Department of Education (KDE) has noted some isolated incidents where the 2013 health insurance rates were pulled into the December 2012 federal reimbursements file. This situation may have occurred due to the timing of when the December 2012 federal reimbursement file was created in relation to when the 2013 open enrollment file was imported. KDE is asking that the districts review their December 2012 federal reimbursement files to ensure that the correct 2012 rates were reimbursed for health insurance. If 2013 rates are found in the 2012 files, the districts should adjust their next federal reimbursement file for any overpayments as soon as possible. Please refer to the “[**Federal Reimbursement of Health Benefits Web File Submission Date 4-16-13**](#)” document located on the Federal Reimbursement of Health Benefits Web page under the [**Federal Reimbursement Instructions and Guides**](#) section. The document provides instructions on how to make one-time adjustments to current rates. If you have any questions, please contact Gail Cox at [**gail.cox@education.ky.gov**](mailto:gail.cox@education.ky.gov) or Melissa Sullivan at [**melissa.sullivan@education.ky.gov**](mailto:melissa.sullivan@education.ky.gov) or by phone at (502) 564-3846.



New Accounting Guidance for Debt Service on Bonds and Capital Leases

The Kentucky Department of Education (KDE) has developed the new “**Accounting Guidance for Debt Service on Bonds and Capital Leases**” document that provides guidance for recording debt service and capital lease payments. The guide is located at [**http://education.ky.gov/districts/FinRept/Pages/Fund-Balances-and-Receipts-and-Expenditures%20and%20COA.aspx**](http://education.ky.gov/districts/FinRept/Pages/Fund-Balances-and-Receipts-and-Expenditures%20and%20COA.aspx) under the Chart of Accounts section.

Beginning with fiscal year 2012-2013, bond payment made by SFCC on behalf of school districts **shall** be recorded as revenue in the **Debt Service Fund 400** under **revenue object code 3900**, which is a correction from previous guidance. **All** on-behalf payments shall be recorded in revenue object code 3900.

Please forward any questions about the guide to Jeffrey Coulter at [**jeffrey.coulter@education.ky.gov**](mailto:jeffrey.coulter@education.ky.gov) or Karen Conway at [**karen.conway@education.ky.gov**](mailto:karen.conway@education.ky.gov) or (502) 564-3846.

Summer Transfers

To streamline the entry of multiple types of terminations used by school districts, the Personnel Cabinet and the Kentucky Department of Education (KDE) will continue to use the process developed last year for terminating benefits for school board employees.

The MUNIS system was enhanced to automatically flow summer or school year-end terminations to KHRIS. When the new term code is entered in MUNIS, the employee's summer or year-end termination will be sent to KHRIS and benefits terminated based upon the type of code input.

MUNIS Termination Codes

There are four MUNIS codes to use. You should continue to use the 0008 term code if the employee is not considered a summer or year-end termination.

Code	Timeframe	Effective Date of Termination
50	Mid-July	Health, HRA, FSA ends July 15 Life ends July 31
51	End of July	All benefits end July 31
52	Mid-August	Health, HRA, FSA ends Aug. 15 Life ends Aug. 31
53	End of August	All benefits end Aug. 31

Note: Full-month premiums must be deducted for KGLI participants to remain eligible and allow the payment of benefactor proceeds in the event of employee death.

For MUNIS directions and information specific to these codes, please refer to KDE.

COBRA Notification Required

Remember that **all terminations of health insurance require COBRA notification**. Do not assume the employee will transfer to another school. Enter the termination into Ceridian's WEBQE system at www.ceridian-benefits.com.

Continued on page 6

Summer Transfers cont.

Confirm Termination

After submitting your first round of termination codes on the MUNIS termination file, please verify the terminations are processing correctly by using PA20 in KHRIS. If a termination is missing, or the termination has been entered but is not what was anticipated, please contact Kristin Lambert at (502) 564-2020 or by e-mail at kristin.lambert@education.ky.gov in KDE, Stephanie May in DEI Enrollment Information Branch and Joe Hughes in Group Life Insurance Branch. Please be aware that there may be delays of three to five business days based on when the termination file is submitted, and when it is received by DEI/KGLI and can be viewed in KHRIS. KDE sends KHRIS compiled termination files daily. **If the MUNIS termination is marked as “posted,” the data should be transmitted via the file process.**

Reminder: BG-1 and BG-4 Residual Funds

[702 KAR 4:160](#) establishes the requirements for capital construction projects that are to be initiated with a BG-1 Project Application Form. Once the Kentucky Department of Education (KDE) receives and approves the district’s completed BG-1, then KDE will inform the district how to proceed through the construction project process by including a “Project Checklist” with the BG-1 approval letter. Please note that no construction work shall be performed prior to the district receiving approval from both KDE and the Department of Housing, Buildings and Construction.

At the completion of a capital construction project, the district shall submit a BG-4 to “close-out” the project. The district may have residual (leftover) funds in the construction fund that are available to be used for other BG-1 capital projects. Prior to a district requesting approval to use the unspent residual funds in fund 360, the district must first file a BG-4 and Board Order with KDE’s District Facilities Branch and receive KDE’s approval. Please note that all residual funds are assumed to be the most restricted funds used in the original project, and the rules to spend these funds are the same as the rules that govern the original funds.

Please refer to the following KDE, District Facilities Branch’s Web page link for more BG-1 and BG-4 information: <http://education.ky.gov/districts/fac/Pages/default.aspx>

Please forward any BG-1 financial review questions to Jeffrey Coulter at jeffrey.coulter@education.ky.gov or (502) 564-3846. Forward any BG-1 and BG-4 facilities/construction questions to Tim Lucas at tim.lucas@education.ky.gov or (502) 564-4326.

Update on Build America Bonds (BABs) Federal Subsidy

The March/April 2012 *Finance Newsletter* article “How do you record revenues for the Build America Bonds?” recommended revenue object code 4900, revenue for/on-behalf, to record the federal subsidy on the BABs paid directly to a third party on behalf of the school district. For those districts receiving the federal subsidy **at the district**, KDE recommends using revenue object code 4300, restricted direct federal revenue. A project code is not required because the subsidy is not passed through a state agency.

Please review the descriptions and recommendations of revenue object codes for these two types of BABs:

The first type of BAB provides a federal subsidy through a refundable tax credit paid to state or local governmental issuers by the Treasury Department and the Internal Revenue Service (IRS) in an amount equal to 35 percent of the total coupon interest payable to investors in these taxable bonds. This type of BAB is “Build America Bonds (Direct Payment),” and the payment from the federal government is made directly to a third party on behalf of the school district. The level of the 35 percent federal interest subsidy on BABs (direct payment) is deeper than the corresponding approximately 25 percent federal interest subsidy on BABs (tax credit). This BAB subsidy would be recorded by using revenue object 4900 revenue for/on-behalf of the school district.

The second type of BAB provides a federal subsidy through federal tax credits to investors in the bonds equal to 35 percent of the total coupon interest payable by the issuer on taxable governmental bonds (net of the tax credit), which represents a federal subsidy to the state or local governmental issuer equal to approximately 25 percent of the total return to the investor (including the coupon interest paid by the issuer and the tax credit). This type of BAB is “Build America Bonds (Tax Credit)” and the payment from the federal government is made to the school district. This BAB subsidy would be recorded by using revenue object 4300 restricted grant direct from federal government. More details can be reviewed at http://www.irs.gov/irb/2009-16_irb/ar08.html.

Questions about the above guidance on BABs can be directed to KDE by sending an e-mail with the subject “BABs Guidance” to finance.reports@education.ky.gov.

Join us for Commissioner Holliday’s next Twitter Town Hall

The Kentucky Department of Education invites teachers, administrators, district staff, parents, students and other education stakeholders to submit questions for Commissioner Terry Holliday’s Twitter Town Hall **Wednesday, May 15, 4-5 p.m. ET**. Questions can be tweeted both before May 15 and during the live event. **Use the hash tag #AskDocH to send questions.**

If you don’t have a Twitter account and would like to sign up for one, visit www.twitter.com. It’s a free service and offers apps for smartphones if you’d rather follow along off of a traditional computer or laptop.

Commissioner Holliday looks forward to answering your questions May 15.

New Insurance Guide

The Kentucky Department of Education has developed a guide to assist school districts in meeting the statutory and regulatory requirements relating to insurance. The guide will provide general information on auto/fleet insurance, general and educators' legal liability, errors and omissions, property insurance, boiler insurance, unemployment insurance, and workers' compensation. In addition, the guide includes "checklists" of items to help school districts identify potential coverage areas, deductible amounts commonly used by school districts, and procurement procedures. The guide will be posted on the KDE website. Watch for the announcement in the commissioner's weekly correspondence. If you have any questions, please contact Renee Thomas at (502) 564-3846 or Renee.Thomas@education.ky.gov.

The Kentucky Department of Education is not involved with KSBIT and does not have any oversight of it.



Redbook Update and On-Demand Training

The Redbook has been approved by the Administrative Regulation Review Subcommittee. Now the Redbook will be referred to the Education Committee, which may or may not meet during May. If they do not meet, the Redbook will automatically become approved May 31.

The final draft of the Redbook is available on the KDE website at <http://education.ky.gov/districts/FinRept/Pages/Accounting-Procedures-for-School-Activity-Funds.aspx>. Please use it only in a draft capacity. Upon full approval, districts will be notified through the commissioner's weekly correspondence.

Also available on the website are four training videos that schools and boosters can use "on-demand." The videos are entitled:

- *Revisions for 2013-14* (approx. 20 minutes in length)
- *Raking It In: Receipting Funds at the School* (approx. 12 minutes in length)
- *Shelling It Out: School Disbursements and Reporting* (approx. 15 minutes in length)
- *What Boosters Need To Know* (approx. 10 minutes in length)

KDE will be maintaining a list of Frequently Asked Questions that also will be posted on the website. Please direct your questions to Susan Barkley at susan.barkley@education.ky.gov.

FY 2013 Audit Contracts

School districts are required to be audited each year by independent certified public accountants (CPAs). The audit contract for fiscal year 2012-2013 is available for review or download at <http://education.ky.gov/districts/FinRept/Pages/District-Financial-Audit-Contracts.aspx>. The FY2013 Audit Acceptance Statement and signed contract, including the latest peer review report, and, if applicable, any letter of comment, letter of response and KSCPA Peer Review Committee letter are due to the Kentucky Department of Education (KDE) on Tuesday, **May 28, 2013**.

The State Committee for School District Audits (SCSDA) will meet to consider approval of the audit contracts on June 13, 2013. Once the audit contracts have been approved by SCSDA and the State Committee Chairman has signed the contracts, then the contracts will be posted to the District Financial Audit Contract Web page referenced above. Also, KDE will inform districts when the approved contracts are posted to the Web page through the Commissioner of Education's Monday superintendent's e-mail or *Fast Five* on Friday e-mail.

Please remember that an audit contract is **not** official until all the required signatures are on the contract. Also, SCSDA annually approves audit contracts for **one** fiscal year only.

Please forward audit contract questions to Ken Smith at ken.smith@education.ky.gov or (502) 564-3846.



Frequently Asked Audit Questions

A list of frequently asked audit questions and answers are available on Kentucky Department of Education's (KDE) website at <http://education.ky.gov/districts/FinRept/Pages/District-Financial-Audits.aspx>.

Topics include KDE's review of AFRs and audit reports, required reporting information for Kentucky Teacher's Retirement System and a variety of other topics.

Please forward audit questions to Ken Smith at ken.smith@education.ky.gov or (502) 564-3846.

Updating GASB 54 documents

The KDE website contains many documents relating to GASB 54 that will be combined and updated based on current best practices. Documents will be updated by the end of May. Please check the following websites for the updates:

[General Ledger Year End GASB documents](#)

[Chart of Account Section for GASB documentation](#)

If you have any questions relating to GASB 54, please send an e-mail to finance.reports@education.ky.gov. The subject line should state **GASB 54**, and a KDE representative will ensure that you get a response within 24 hours.

Financial Reporting and Auditing Workshops

The Division of District Support is hosting two-day financial reporting and auditing workshops in two locations across the state. One day will focus on the issues relevant to district finance officers and the other day will be geared toward the needs of the independent auditors. Continuing professional education credit for certified public accountants and finance officers will be awarded to participants.

June 5	Finance Officer Day	10 a.m.-4 p.m.	Kentucky Dam Village
June 6	Auditor Day	8 a.m.-5 p.m.	Kentucky Dam Village
June 12	Finance Officer Day	10 a.m.-4 p.m.	Jenny Wiley State Park
June 13	Auditor Day	8 a.m.-5p.m.	Jenny Wiley State Park

Topics include school district accounting issues, GASB update, audit analysis results, MUNIS report resources, relevant statutes and regulations, and a panel discussion. Presenters include KDE staff, representatives from the Office of the Auditor of Public Accounts, local certified public accountants and district finance accountants.

The workshops are free. District personnel are welcome to attend the Auditor Day. To register, please use the registration link on the KDE website, District Financial Audits page, at <http://education.ky.gov/districts/FinRept/Pages/District-Financial-Audits.aspx>.

A draft agenda also is located on the website. You may direct questions regarding the workshops to Chay Ritter at (502) 564-3846 or chay.ritter@education.ky.gov.

Unaudited AFR and Balance Sheet Submission Changes for 2013

The *Unaudited AFR and Balance Sheet Guide Submission Error/Note Guide* for 2013 has been updated and posted to:

<http://education.ky.gov/districts/Pages/MUNIS-Guides.aspx>

Checkboxes – Five checkboxes are available for FY 2013. The checkboxes indicate situations not applicable to the district that override error checks. The five relate to: debt service on bonds (AFR #16), SFCC on-behalf payments for bonds (AFR #17), textbooks (AFR# 21), donated food commodities (AFR #22) and student transportation vehicle purchases (AFR #23).

Errors – Several items that were notes in the previous year will be errors for the FY 2013 submission. Those are: no expenditures in fund 400 (AFR #16), negative transportation (AFR #19), no textbook expenditures (AFR # 21), no donated commodities (AFR #22), no student transportation vehicle purchases (AFR#23), fund 410 (BS #8) and credit balances in unassigned fund balance for funds other than fund 1 (BS #10).

Some new error checks are added for FY 2013. They are: technology on-behalf (AFR #17), SFCC on-behalf (AFR #17), principal and interest only with function 5100 (AFR #24), and no expenditures in function 2700 (AFR #25).

Deletions – The checks for fund balance less than 2 percent (AFR #20) and no sick leave balance greater than zero (BS #6) were deleted for FY 2013.

Questions and concerns regarding the unaudited AFR and balance sheet submission process can be directed to Carol Buell, carol.buell@education.ky.gov, or Karen Conway, karen.conway@education.ky.gov, and both can be contacted at (502) 564-3846.

Salary Supplement Reimbursement Application for National Board Certified Teachers is Due May 1

The Salary Supplement Reimbursement Application for National Board Certified Teachers is due to KDE by May 1. The application and the current law, KRS 395.157, can be found at:

<http://education.ky.gov/districts/FinRept/Documents/National%20Board%20Certified%20Teacher%20Salary%20Supplement%20Application.doc>.

Please continue to visit this site for future Frequently Asked Questions and Answers and other updates. Please submit the application electronically to Debra Vaughan at debra.vaughan@education.ky.gov or by fax at (502) 564-6771.

SEEK 20 Percent Funding for State-Run Vocational Schools

Fifty-two school districts receive funding for state-run vocational schools where the districts own the buildings. 702 KAR 1:130 provides regulatory requirements for the funding. It states:

Section 2. For those centers housed in facilities owned by a local board of education, twenty (20) percent of the funds generated by FTE shall be transferred to that local district for retirement of debt service and building maintenance.

Beginning in FY 2013-14, use project code 18CX to track revenues and expenditures for this funding source. In addition, use the location code for the Area Technology Center (ATC).

Funds will be distributed in two payments per year occurring during the first and third quarters. These funds may be used only for the retirement of debt service or maintenance on the ATC building. Examples of allowable activities include: architectural and engineering services; security services; snow removal; repairs and maintenance; property insurance; student liability insurance (for students in ATC only); and building improvements.

Reports generated from the annual financial report (AFR) submission will be provided to the Office of Budget and Fiscal Management at KDE to ensure funds are spent within the restrictions imposed by the regulation.

Questions regarding this funding may be directed to Lea Ann Lewis, Office of Career and Technical Education, at leaann.lewis@education.ky.gov or (502) 564-4286.

Transportation Forms Due May and June

The following Transportation Forms are due in May and June and should be submitted to KDE through a Web submission application: **Kentucky School for the Deaf and Blind Daily Trips – due May 31**, and the **Transportation Adjustment End of Year Report** and the **Vocational Transportation – VT-2 Form – both due June 30**. Report problems accessing the Web-based forms to district technology staff and make sure permissions are set up correctly.

In addition, the **Kentucky School for the Deaf and Blind Resident Form is due May 31**. This is NOT a Web-based form. Please e-mail the form to debra.vaughan@education.ky.gov or fax it to (502) 564-6771.

All transportation reimbursement forms are available at:

<http://education.ky.gov/districts/SEEK/Pages/SEEK-Transportation-Funding.aspx>

As processes are improved, more forms will be available on this page. Please continue to visit this site for future updates.

On-Behalf Payments

The fiscal year 2013 “On-Behalf Payment Instructions” have been posted to the [On-Behalf Payments](#) website. The “Health Benefits On-Behalf Payments” and “Federal Reimbursement of Health Benefits On-behalf Payments” are posted to the website **monthly**.

Beginning with FY2013, all on-behalf payments, including the health benefits, Kentucky Teachers’ Retirement System (KTRS), technology, debt services, and Kentucky Inter-local School Transportation Association (KISTA) energy savings capital leases, are **required** to be recorded in the unaudited and audited Annual Financial Reports (AFRs).

The Kentucky Department of Education (KDE) has added new orgs in the sample entries in the instructions for districts paying special education salaries and benefits with general fund money.

As explained in a previous communication, districts receiving the vocational education 20 percent SEEK funding for state run vocational schools **do not** need to record those amounts as on-behalf payments as has been done in the past. The payments are made directly to school districts, not to a third party on behalf of the school districts.

Escrowing Funds FY2013

The Kentucky Department of Education (KDE) has been in communication with School Facilities Construction Commission (SFCC) regarding escrowing funds. As a result of the communications, SFCC and KDE would like to remind districts of the following information providing useful guides relating to record escrow funds.

- At the **end of even-numbered fiscal years**, capital outlay funds (310) and building funds (320) **shall not be escrowed**.
- At the **end of odd-numbered fiscal years**, capital outlay funds and building funds that **have not been obligated by June 30 are required to be escrowed**.
- Please refer to the revised *Fiscal YE Processing BGL-2* document located at the [MUNIS Support and Guides](#) Web page under the General Ledger -Year End section, and the revised *GASB 54 Best Practices* document located at the [Fund Balances, Receipts and Expenditures, Chart of Accounts and Indirect Cost Rates](#) Web page under the Chart of Accounts section for detailed instructions on how and when to record escrowing journal entries.
- If a district obtains KDE’s approval for a **FY2013 BG-1** and the district does not obligate the entire approved BG-1 amount by June 30, 2013, then in FY2014 the district decides to use the unobligated funds toward a different project, the unobligated funds will revert back to its original source and **will be required to be escrowed at that time**.

Please forward escrowing questions to Jeffrey Coulter at KDE at jeffrey.coulter@education.ky.gov or (502) 564-3846, or Lisa D. Collins at SFCC at LisaD.Collins@ky.gov or (502) 564-5582.

Capital Funds Requests

Please note this article is a **correction to the [Finance Newsletter March/April 2013](#)** Capital Funds Request (CFR) article that stated the May 31 submission due date in error. The fiscal year 2012-2013 CFR forms are due to the Kentucky Department of Education (KDE) **no later than May 30, 2013**. CFR forms and all required supporting documents must be submitted by **e-mail** to Denise Hartsfield at denise.hartsfield@education.ky.gov. Please include on the CFR form the appropriate org codes, object codes, project codes, itemized descriptions, BG-1 numbers if applicable, and required signatures. If the CFR involves major maintenance, repairs or improvements to facilities or any construction projects, a BG-1 form also must be submitted with the CFR. If the CFR includes the use of funds escrowed due to SFCC participation, approval to use those funds must be obtained from School Facilities Construction Commission (SFCC) Director Bob Tarvin and forwarded to KDE with the CFR.

Please remember that the CFRs are intended to be used by districts experiencing difficulty in meeting general operating expenses.

Upon approval of the CFR by KDE, the district **may** make transfers out of the restricted funds (310, 320 or 360, as applicable) into the appropriate fund for expenditure. Please note the district is **not required** to make those **planned** expenditures.

****All expenditures made in connection with a FY2013 CFR must be made by June 30, 2013. Any FY2013 CFR funds approved by KDE that have not been expended by June 30 will revert back to the original source and will be subject to escrow requirements at the end of this odd-numbered fiscal year. There will be no carryover of fund balances for the prior requested expenditures to the next year. Only the actual expenditure amount shall be transferred and recorded as expenditure and not the maximum approved amount. ****

KDE needs sufficient time to process and approve all CFRs prior to the end of the fiscal year so districts can accurately report those funds on their financial statements. Please be mindful of the local board of education's board meeting dates as the districts consider submitting FY2013 CFRs and their associated BG-1s. Any CFRs submitted to KDE **without** all the required supporting documents by May 30 may prevent the CFR from being approved by June 30.

The FY2013 Capital Funds Request form, guidelines and examples are located at <http://education.ky.gov/districts/FinRept/Pages/Capital-Funds-Request.aspx>.

Please forward Capital Funds Request questions to Pari Ziebart at pari.ziebart@education.ky.gov or Denise Hartsfield at denise.hartsfield@education.ky.gov or (502) 564-3846. Please forward facilities and BG-1 questions to Tim Lucas at tim.lucas@education.ky.gov or (502) 564-4326.

Tentative Budget Due

This is a reminder that the Tentative Budget is due May 30. The submission guide is at the [MUNIS Guides website](http://education.ky.gov/districts/Pages/MUNIS-Guides.aspx). If you have any questions, please e-mail finance.reports@education.ky.gov. The subject line should state **Tentative Budget**, and a KDE representative will ensure that you get a response within 24 hours. You can find the submission guide and FAQ along with the STW-GL-6 at <http://education.ky.gov/districts/Pages/MUNIS-Guides.aspx>. Please check for the updates.



KDE Office of Administration and Support

Associate Commissioner Hiren Desai

Division of District Support Services

Director Kay Kennedy, Assistant Director Susan Barkley
Facilities

Greg Dunbar
(502) 564-3846

FirstName.LastName@education.ky.gov

District Funding and Reporting

Chay Ritter – Manager

Staff:

Karen Conway

Carol Buell

Sarah Aitken

Debra Vaughan

Jana Cox

Renee Thomas

District Financial Management

LaTonya Bell – Manager

Staff:

Ken Smith

Jeffrey Coulter

Gail Cox

Pari Ziebart

Brenda Withrow

Melissa Sullivan